

MODOC LAFCO

Schedule of Fees and Fee Deposits

1. All fee deposits are initial payments toward the total cost of processing and will be assessed to cover the cost of processing requests (project costs). Project costs are defined as staff time plus materials. Staff charge-out rates are listed below, and include personnel costs plus a percentage of Modoc LAFCO’s administrative overhead costs. Materials include, but are not limited to, charges for advertisement of hearings, petition reviews, LAFCO meetings, contract staff and consultants as needed, as well as fees charged for project reviews by affected agencies. All applicants will be required to sign an agreement to pay and indemnification form and pay all required fee deposits and other agency costs prior to LAFCO processing a proposal.
2. A fee deposit will be charged at the time applications are received and applications will not be deemed filed without the signed “Agreement to Pay” form and payment of the fee deposit as outlined below:

Annexation of a Single Family Dwelling	\$1,000.00
Consolidation	\$2,000.00
Dissolution	\$2,000.00
District Formation	\$5,000.00
Out of Agency Agreement Request	\$ 700.00
Incorporation	\$15,000.00
Annexation/Reorganization/Detachment	\$2,000.00
Sphere of Influence Update w/ MSR	\$5,000.00
Sphere of Influence Amendment w/o MSR	\$2,000.00
Use of Latent Powers	\$1,000.00
Other Actions including reconsideration)	\$ 700.00
CEQA - Initial Study Deposit	\$1,200.00

Copies (staff reports, minutes, Public Records) actual cost = currently \$.20 each
 Agenda Subscription \$12.00 per year
 Staff Research and Studies Actual Project Cost

Administrative fee deposits for consultants shall be ten-percent (10%) of the final contract amount. In addition, activity fee deposits for required staff or specialized consultant review of any study required of an applicant shall be twenty-percent (20%) of the final contract amount.

3. LAFCO charges for staff time will be at the following rates:

Executive Officer	\$102/hour
LAFCO Counsel	\$180/hour

4. State Board of Equalization, County of Modoc, Environmental Review, State Controller's Office and the Department of Fish and Game fees (if applicable) will be paid by the applicant. Recording, engineering and surveying fees will be the responsibility of the applicant. Applicants are responsible for paying the costs of mailing labels of property owners and registered voters within the project area and within 300 feet of the proposed project boundaries.
5. The Commission, upon a finding that such action would be in the public's interest and/or necessary for health and safety reasons, may waive fees partially or in total. Requests for fee waivers must be submitted in writing to the Commission noting such compelling reasons for a fee waiver. The Executive Officer shall not waive fees.
6. Staff time will be monitored against the deposit on file with LAFCO; if the cost of processing an application begins to exceed the deposited amount, additional deposits will be required.
7. If extensive staff assistance is required prior to receipt of an application, a deposit will be required at the time the work is requested.
8. All final bills shall be paid by the applicant prior to the filing of the Certificate of Completion or during other times during the LAFCO process as deemed appropriate by the Executive Officer.
9. Charges for the reconsideration of a LAFCO determination are the responsibility of the requesting party.
10. Fee deposits with LAFCO, which exceed the cost of processing the application by \$25 or more, will be refunded after LAFCO completes its final filings.
11. LAFCO will also charge its pre-application staff time spent reviewing environmental and other documents and participating in the process as the lead or responsible agency, as part of its processing costs.
12. If a LAFCO application is withdrawn any time prior to the completion of proceedings, the unused portion of the initial fee deposit (s) received by LAFCO (deposit less any expended staff time and project expenses) will be returned to the persons paying the initial fee deposit upon receipt of a letter of withdrawal.

Technical Appendix Part 1

Calculation of Annual Administrative Overhead

Staff charge-out rates may include a percentage for LAFCo administrative overhead. Administrative overhead is calculated by subtracting specific proposal-related costs (which will be financed by applicants) and 1/3 of the Commission's long-term planning costs from the total LAFCo budget.

The formula for calculating administrative overhead is:

$$A = B - D - (1/3P)$$

Variables

A = Administrative Overhead

B = Budget

D = Direct Project Costs

P = Long-term Planning Projects

B = LAFCo Budget for 2006/07 \$46,800.00

D = Direct Project Costs

While the cost of staff time directly applicable to specific projects will be recovered through fees, a portion of that staff activity is related to administrative tasks and projects that are not directly related to any specific project (e.g., meeting preparation, interface with public and agencies, budget preparation, fee studies, Brown Act and public records act compliance, minutes, etc). Based on the projected workload, an average estimated ratio of time each staff member spends on specific (billable) projects is projected.

◆ 40% Executive Officer & Clerk Staff Cost @ \$36,000 \$14,400.00

◆ 66% LAFCo Counsel Costs @ \$1,000 \$ 666.00

Total Projected Direct Project Costs \$15,666.00

P = Long-term Planning Projects

Some LAFCo administrative activity is long-term planning, such as municipal service reviews and sphere of influence studies (approximately 51 studies will need to occur within the next five years - Assuming 50 districts and one City) and Municipal Services Reviews (approximately 51 studies will need to occur within the next five years - Assuming 51 districts and one City). For Planning purposes only, assume these will be consolidated doing 12 separate MSR and 12 separate SOI studies, representing the different types of districts in the County) Under the LAFCo Act, these have an expected "shelf-life" of five years. To spread the planning cost out over a five-year period (the time period to complete all sphere revisions and municipal services reviews), one-third of the staff costs associated with this activity has been excluded from administrative overhead calculations.

◆ Sphere of Influence Studies (2 per year average @ about 100.00 hours each) \$20,000.00

- ◆ Municipal Services Reviews (3 per year average@ about 150.00 hours each)..... \$45,000.00

Total Projected Annual Administrative Overhead that could be attributable to projects based on the

FY 2005/2006 budget =

$$\$46,800 - (\$15,666) - (\$21,666) = \$9,468$$

Technical Appendix Part 2

Calculate a Target Amount of Administrative Overhead

An agency may not charge specific projects for services that are provided to members of the general public. Assume that approximately 30% of administrative staff time is actually devoted for general purposes. Therefore, LAFCo has the option to recover the remaining 70% (\$6,249) through its fee structure.

In the past, the Commission has targeted a much smaller amount for recovery – today, this would equal an amount less than 10% of the legally recoverable administrative overhead. This acknowledges that LAFCo provides a service that benefits the public as a whole. Based on 2006/07 LAFCo budget, this would amount to less than \$625.

The formula for calculating a recoverable amount of administrative overhead and then adjusting that amount as the Commission may determine:

$$A_1 = (A \times 0.7) \times .010$$

Variables

A = Administrative Overhead

A₁ = Targeted Administrative Overhead

Substitute actual figures for variables

$$\$625 = (70\% \times \$9,468.00) \times 10\%$$

Technical Appendix Part 3

Calculation of Staff Rates

To develop staff charge-out rates, a figure is calculated to allocate an amount of administrative overhead and long-range planning to staff charge-out rates.

First, “billable hours” (hours devoted to specific proposals) are projected for each staff member based on 4 projects per year. The table below projects billable hours based on an estimated of staff time/activity analysis.

<i>Staff Member</i>	<i>Total Annual Hours</i>	<i>Services to the general public(A)</i>	<i>Administrative projects(P)</i>	<i>Specific Projects(D)</i>	<i>Projected Annual Billable Hours</i>
Exec. Officer	423	25%	50%	25%	106
Clerk	30	0%	50%	50%	15
LAFCo Counsel	6.66	0	50%	50%	3.33

Direct project costs (D) and planning costs (1/3P) are outlined in Technical Appendix Part 1. In summary, Direct project costs (D) = \$15,666.00 and 1/3 of the Planning Costs (Recoverable Planning Costs (1/3P)) = \$21,666.00. (Total planning costs are calculated to be \$65,000.00)

The remaining costs Administrative overhead (A) = \$9,468.00 of which \$6,249.00 (70%) are recoverable. LAFCo has charged much less than 10% of that amount.

To solve for Total Recoverable Costs (T), add the Recoverable Administrative Overhead (\$6,249.00 + 1/3 of the total planning costs (\$21,666.00) and divide by the number of Direct billable project hours, Db (124.33). The total being \$225.97 per hour of recoverable costs.

To receive full recovery of costs from direct billable project hours (D (D=\$15,666)), recoverable administrative overhead (A (A=\$6,249.00)) and 1/3 of the planning costs (1/3P (1/3P=\$21,666)) are included in hourly rates as follows:

Executive Officer \$310/hour

Clerk \$261/hour

LAFCo Counsel \$376/hour

These rates are what the law would allow LAFCo to charge to the applicant. However, they are so high that they would discourage needed changes of organization and not serve a public purpose. Therefore, staff recommends that staff charge out rates for administrative overhead and Planning Costs should be reduced to project hourly billing rates of the Executive Officer and LAFCO Counsel plus project related expenses. In this case, Staff Charge out rates would be the hourly rate fixed cost plus 20% general overhead:

Executive Officer \$102/hour

Clerk \$42/hour

LAFCo Counsel \$180/hour